

National Endowment for the Humanities

Office of Inspector General

Strategic Plan

2013 - 2017

Introduction

To enhance the effectiveness of the Office of Inspector General (OIG) at the National Endowment for the Humanities (NEH) and to ensure effective audit coverage of NEH programs and operations, we have developed the following strategic plan. Our primary goal is to improve the programs, operations, policies and procedures of the NEH. As part of our planning process, we maintain on-going contact with Agency leadership, senior managers, and program officials to identify those areas where we can best serve their needs. Our strategic planning efforts will be on-going and we will review the strategic plan biannually.

Authority and Responsibility

On October 18, 1988, former President Reagan signed into law the Inspector General Act Amendments of 1988, Public Law 100-504. In this legislation, Congress established Offices of Inspector General in several departments and in thirty-three agencies, including the NEH. The NEH Inspector General is appointed by the Chairman of the National Council on the Humanities. The independence of the IG is an important aspect of the Act. For example, the IG:

- cannot be prevented from initiating, carrying out, or completing an audit or investigation, or from issuing any subpoena;
- has access to all records of the agency;
- reports directly to the Chairman of the National Council on the Humanities, and can only be removed by the National Council on the Humanities, which must promptly advise Congress of the reasons for the removal; and
- reports directly to Congress.

The OIG has the responsibility and authority to:

- conduct audits and investigations;
- provide leadership and coordination, and recommend policies to promote efficiency and effectiveness and to prevent fraud;
- keep the Chairman and Congress fully and currently informed of problems and deficiencies; and
- comply with governmental auditing standards.

The Act requires the IG to report semiannually to the Head of the NEH and Congress. The report is submitted to the Chairman of the National Council on the Humanities, who may comment on the report. The report must be forwarded to Congress within thirty days. Serious or flagrant problems can be reported anytime to the Head of the NEH, who may comment but must transmit the report intact to Congress within seven days of receipt.

Mission/Vision/Value Statement

Mission

The mission of the Office of Inspector General is to provide professional audit, inspection, review, investigative, and advisory services to promote economy, efficiency, and effectiveness concerning NEH programs and operations; and to detect and prevent fraud, waste, and mismanagement in NEH programs/operations.

Vision

The Office of Inspector General aspires to maintain a reputation for professional competence, leadership, and integrity. We will be a trusted contributor to the value, efficiency, and integrity of NEH programs and operations. We strive to achieve our goals through self-examination and a teamwork environment that fosters professional development, open communication, and creativity.

Value Statement

We have a commitment to independence and excellence in the execution of our services. This commitment is characterized by integrity, fairness, cooperation, creativity and respect both within and outside the OIG.

National Endowment for the Humanities

Mission Statement and Goals

The mission statement of the National Endowment for the Humanities (NEH) is as follows:

The National Endowment for the Humanities serves and strengthens our nation by supporting high quality projects and programs in the humanities and by making the humanities available to all Americans.

The NEH has identified three (3) major goals and objectives. They are as follows:

Goal 1:	<i>To advance knowledge and understanding of the humanities in the United States.</i>
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Objective 1: Facilitate basic research and original scholarship in the humanities.

Objective 2: Strengthen teaching and learning in the humanities in elementary and secondary schools and institutions of higher education.

Objective 3: Preserve and increase access to cultural heritage resources that constitute the cultural and intellectual patrimony of the American people and that are important to research, education, and public understanding of the humanities.

Objective 4: Provide opportunities for American citizens of all ages and wherever located to engage in lifelong learning in the humanities.

Objective 5: Maintain and strengthen partnerships with the state humanities councils.

Objective 6: Provide a focal point for development of the digital humanities.

Objective 7: Strengthen the institutional base of the humanities through financial incentives provided by matching challenge grants.

Objective 8: Stimulate third-party support for humanities projects and programs.

Goal 2:	<i>To provide national leadership in promoting the humanities in American life.</i>
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Objective 1: Broaden awareness of, access to, and support for the humanities.

Objective 2: Collect, analyze, and disseminate information about the state of the humanities in the United States.

Objective 3: Develop and maintain partnerships with individual, organizations, and institution in support of the humanities.

Goal 3: <i>To enhance quality of service and efficiency of operations.</i>

Objective 1: Provide effective and results-oriented service to the American people.

Objective 2: Recruit and retain a highly qualified, diverse, and results-oriented workforce.

Office of Inspector General - Goals

To accomplish the OIG mission, we have adopted three (3) major goals.

Goal 1: Help the NEH achieve its desired goals by providing audit and investigative services of significant benefit to NEH programs and operations, while ensuring the integrity and reliability of OIG work. In addition to providing the traditional audit and investigative services, we are committed to providing advisory and assistance services in response to requests from NEH management and staff, the community of NEH award recipients, and independent public accountants.
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Strategy:

- ❖ Solicit NEH and Congressional input in planning OIG activities.
- ❖ Develop internal planning mechanisms to support NEH goals and priorities.
- ❖ Identify specific targets for OIG review that are the most cost-effective.

Goal 2: Increase the OIG's positive impact on the NEH's accomplishments by emphasizing program integrity and performance, safeguarding and leveraging available resources, and reporting fairly the results and conclusions resulting from OIG efforts.
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Strategy:

- ❖ Focus OIG attention in the following areas:

- managing change;
 - resource allocation in relation to policy objectives;
 - delivery of client service;
 - causes of fraud and inefficiency; and,
 - automation and communication.
- ❖ Identify factors that influence organizational change and develop short and long term plans to address them.

Goal 3: Improve the timeliness and quality of OIG performance by adopting more efficient, effective, and innovative processes within the OIG.
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Strategy:

- ❖ Conduct quality assurance programs.
- ❖ Comply with applicable statutory guidelines and standards.
- ❖ Set realistic and appropriate milestones.
- ❖ Evaluate results of OIG products and services and identify, as appropriate, lessons learned to improve timeliness and quality.
- ❖ Conduct follow-up reviews to determine if intended results have been achieved.

Audit, Inspections, and Reviews

External Efforts

Our work will include inspections to assess the overall effectiveness of the grant programs; specific audits to measure grantee compliance with applicable laws/regulations and grant terms; and review of non-Federal audits to identify specific problems and general trends concerning. We will also react to specific requests from NEH officials and other interested parties.

Internal Efforts

A central emphasis for all of our work will be to determine if the agency's policies and procedures are consistent and fair across all of the various programs. All of our audits will contain this general objective and will provide data for us to develop systemic recommendations.

We will perform internal reviews of the NEH's operations. This approach will provide a knowledge base for our understanding of program policies and procedures, and provide us with an understanding of the goals, operational procedures, and accomplishments of each program. We will also perform tests of grantees to evaluate performance and measure success.

We will also review the agency's various management systems and provide an opinion on their efficiency and effectiveness. In addition, we will evaluate whether the controls are adequate to safeguard resources and get maximum value for the resources expended. In this context, each year we will systematically examine, in collaboration with NEH management, selected portions of NEH internal operations. We will select the areas to be reviewed based on their relative risk. Internal systems to be considered are systems such as information resources management, and contract and grant management.

Required Audits

On an annual basis, we are required to perform audits, inspections, reviews, respond to inquiries, and assess the impact of proposed laws/regulations as requested by OMB, Congress, GAO, and the Council of Inspectors General for Integrity and Efficiency (CIGIE).

Federal Information Security Management Act (FISMA)

FISMA requires that the OIG annually perform an independent evaluation of the information security program and practices of the agency to determine the effectiveness

of such program and practices and report the results of the evaluation to the Office of Management and Budget (OMB) with the agency's budget submission. The OIG also reviews segments of the NEH information systems. Guidance is issued annually by OMB on how agencies and OIG should report on FISMA.

Financial Statements

The Accountability of Tax Dollars Act of 2002, Public Law 107-289, requires NEH to prepare and submit to Congress and the Director of the U.S. Office of Management and Budget (OMB) audited financial statements annually. OMB periodically issues updates on guidance concerning the audit of the financial statements. The Inspector General selects and engages the independent public accountant (IPA) to perform the audit. The OIG monitors the IPA's planning and performance, and reviews the IPA's workpapers and draft report and management letter, if applicable.

Improper Payments Elimination and Recovery Act (IPERA)

Hotline Allegations and Investigations

The IG Act of 1978, as amended, provides that the Inspector General may receive and investigate complaints or allegations of fraud, waste, or mismanagement submitted by NEH employees, grantees, contractors.

The OIG has a hotline with a local telephone number. Each instance reported to the OIG must be evaluated to assess the potential impact and merits of the complaint. In some cases, the complaint may be referred to other NEH officials. In others, an audit or a formal investigation may be necessary. OIG staff will perform the preliminary review and any audit work required. Currently, the IG works on the investigation if a complaint has merit.

Advisory and Assistance Services

In the past, we have received special requests to audit a specific entity, perform a review to answer a question or resolve a problem. These requests cannot be planned, but to provide maximum service to NEH, we will respond to any and all requests as timely as resources permit. These services are provided to NEH management, NEH staff, the community of NEH grant recipients, and independent public accountants.

Other Work

Review of Compliance with the Federal Managers' Financial Integrity Act (FMFIA)

The revised OMB Circular A-123, *Management's Responsibility for Internal Control* dated December 21, 2004, requires NEH management to develop and maintain effective internal controls and to assess those controls annually. NEH is not subject to Appendix A of the revised circular. The Inspector General reviews the agency's annual assessment of its internal controls.

Strategic Issue Areas

Issue Area 1: Program Management/Grant Delivery

This issue centers around whether NEH is delivering the best grants to the American public while being efficient, economical, and effective. This includes the program guidelines produced; information and guidance given to potential applicants; application receipt and recording; panel selection and review; council committee book write-ups; pre-council, council, and post-council meetings; issuance of award and rejection letters; post-award monitoring; and grant close-out.

Issue Area 1.1: Are applications processed and evaluated in accordance with agency policies?

Strategy: The OIG will survey and document existing practices and procedures. Subsequent efforts will focus on areas in which compliance may be improved.

Issue Area 1.2: Application processing and grant monitoring (workload management).

Strategy: Conduct surveys within each division to ascertain:

- Are workloads too heavy?
- Time expended between receipt of a final narrative report, review of the report, and grant close-out? Level of satisfaction that the grant objective was met?
- Workload management suggestions?
- Responsibility for routine administrative tasks?

Issue Area 1.3: Does the Agency ensure that grantees comply with the terms and conditions applicable to their respective awards? (Post-award monitoring)

Strategy: The OIG will conduct surveys to ascertain if each division/office has written policies and procedures to ensure grantee financial and administrative compliance. Some grantees are at greater risk ~ what does NEH do?

The OIG will continue to review grantee implementation of corrective actions in response to cited instances of noncompliance

and advise NEH management as to the status and effectiveness of grantee actions.

Issue Area 1.4: **How often and when does each division perform program evaluations? What are the results of these reviews? How are the results of these reviews incorporated into the agency's strategic planning process.**

Strategy: Conduct surveys within each division.

Issue Area 2: NEH Grant Recipients

Issue Area 2.1: **Are grantees complying with applicable reporting requirements and the terms and conditions governing their awards?**

Strategy: The OIG will perform desk reviews of OMB Circular A-133 audit reports; on-site quality control reviews of audits performed in accordance with OMB Circular A-133; and limited-audits of grantees not subject to the audit requirements of OMB Circular A-133.

The OIG will perform audits of known high-risk grantees (state humanities councils and media organizations).

The OIG will report systemic problem areas to NEH and grantee management.

Issue Area 3: General Administration

General administrative functions are established to support the delivering of services ~ the award of federal funds. Audits, surveys, reviews and inspections are needed to answer the basic question: Are NEH's general administrative functions enhancing the agency's ability to accomplish its mission? Factors to be considered are economy, efficiency and effectiveness.

General Administrative Functions:

- Administrative Services (Procurement/Facility Management)
- Human Resources
- Information Resources Management
- Accounting
- Grant Management
- Strategic Planning
- Equal Employment Opportunity Program
- Office of the Chairman
- Office of Communications
- Office of Publications
- Office of the General Counsel

Issue Area 3.1: Do procurement actions comply with federal and agency requirements?

Strategy: The OIG will review the agency's procurement function considering changes in the federal procurement law.

Issue Area 3.2: Is information maintained by the agency's timekeeping/payroll system accurate?

Strategy: The OIG will audit timekeeping/payroll system data input. The OIG will also review timekeeping internal controls.

Issue Area 3.3: There are constant improvements in technology and changes in information requirements and resources.

Strategy: The OIG will continue to assist management by participating in task groups and periodically reviewing and commenting on system implementation issues. The OIG will continue to perform reviews to assess the agency's efforts to secure electronic information and systems in accordance with the Federal Information Security Management Act (FISMA).

Issue Area 3.4: **Does the agency’s financial management system provide the information needed to monitor costs and expenditures in accordance with the requirements and initiatives of Congress, OMB, and the Department of Treasury? Is the information generated by the agency’s financial management system auditable?**

Strategy: The OIG will conduct audits to verify the propriety of transactions, the validity of account balances, and the accuracy of financial reports. This will be done to augment the IPA’s limited testing of transactions done during the audit of the financial statements.